

STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

MUR: No. 04-0073

STATEMENT OF REASONS OF EXECUTIVE DIRECTOR

On behalf of the Citizens Clean Elections Commission (“Commission”), the Executive Director hereby provides the Statement of Reasons showing no reason to believe violations of the Citizens Clean Elections Act and Commission rules occurred.

I. Procedural Background

On May 5, 2005, Patrick Meyers (“Complainant”) filed a complaint against Leah Landrum (“Respondent”), a participating candidate for State Representative, District 16 alleging that Respondent failed to pay the vendor directly for goods and services. Exhibit A. On May 25, 2005, Respondent responded to the complaint and provided supporting documentation for the campaign expenditures. Exhibit B. Respondent’s campaign finance report for the 2004 election cycle is attached as Exhibit C.

II. Alleged Violations

1. Respondent reported payment of \$143.00 on June 22, 2004 to Robert Landrum for reimbursement for Democratic voter files. Complainant alleges that the reimbursement is over the \$110 limit and is a violation of law. Respondent reimbursed Mr. Landrum and provided supporting documentation for the expense. This expenditure was used for campaign purposes and was reported accurately.

2. Respondent reported payment of \$250.00 on July 10, 2004 made out to “Anonymous for Contribution to Dance Troop”. Complainant had alleged that it was unclear whether “Anonymous” was the name of the actual vendor or if the name of the recipient was not disclosed. Respondent stated that Anonymous Dance Troop was the actual name of the non-profit organization in which a contribution was given, and the invoice was attached with the non-profit tax exempt number along with a brochure of the organization.

3. Respondent reported payment of \$5,865.00 on July 14, 2004 to Eiverness Consulting Group for postage, handling and database for mailer pieces. Complainant alleges that Eiverness Consulting is neither a mail house nor a postage vendor, and therefore the Respondent failed to pay the vendor directly. Respondent argued that Eiverness Consulting Group was in fact a mailing house and a postage vendor, and that the bulk mailing operations are licensed through the United States Postal Service. Their Phoenix Bulk Permit Number is 200. Respondent included a letter provided by Eiverness Consulting Group that details their business operations and practices. Exhibit B.

4. Respondent reported payment of \$3,360.00 on July 14, 2004 to Mountain Graphics and Design for mailer pieces. Complainant alleges that Respondent did not report the expense in a timely manner, as expenditure was reported the same day as the expenditure for postage for the Eiverness Consulting Group mailer, however, Complainant believes they were not incurred on the same day. Respondent stated that the payment to Mountain Graphics and Design was a legitimate expenditure. The Respondent made payment to each individual vendor separately for services. Mountain Graphics and Design provided the design and layout for the mail pieces, while ECG provided the printing and mailing. Both of these companies required payment for services up front, when the cost was incurred for the authorization of the work to be done. ECG addresses this issue in their letter, and reiterates that both costs were incurred at the same time, so the candidate will reflect expenditures on the date incurred, and not the date invoiced, so there is no lag in reporting. Exhibit B.

As a participating candidate, Respondent was not required to file the trigger reports as expenditures were made prior to the general election. Pursuant to A.R.S §§ 16-941(B) & -958, nonparticipating candidate shall file an original and supplemental reports when expenditures exceed 70 percent and 10 percent, respectively, of the primary election spending limit and shall file the reports within one business day of reaching the trigger during the last two weeks of the election. Rather, participating candidates shall comply with the reporting deadlines set forth in A.R.S § 16-913(B)(3), which required all campaign activity that occurred between June 1 and August 18 be reported no later than August 26, in the Pre-Primary Report. Accordingly, Respondent complied with the reporting requirements applicable to participating candidates by reporting the expenditure to Mountain Graphics for materials produced days before the primary election in the Post-Primary Report.

III. No Reason to Believe Finding

Based on the complaint, Respondent's response, invoices and Respondent's campaign finance report, the Executive Director recommends the Commission finds no reason to believe violations of the Act or Commission rules occurred. Pursuant to A.A.C. R2-20-206, the Commission shall dismiss the complaint upon finding no reason to believe the alleged violations occurred.

Dated this 16th day of June, 2005

By: 
Eric Gorseger